

Some 800 representative tectural and engineering firms poured into New Orleans last week to gain some first-hand knowledge of the federal contracting market, particularly new procedures aimed at streamlining design and construction practices.

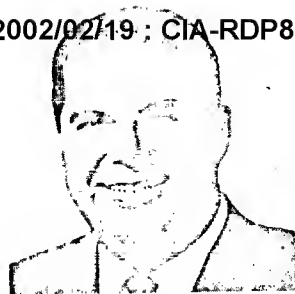
An array of top-level Washington bureaucrats described new contracting aspects at a conference jointly sponsored by the American Institute of Architects, the Consulting Engineers Council and the National Society of Professional Engineers.

Robert Kunzig, chief administrator of the government's largest building agency, the General Services Administration (GSA), told A-Es that current efforts to integrate the design-bid-construction process could cut project development from five to three years. In recent months, GSA has put the industry on notice that it would increasingly use construction managers and phased construction methods on new federal jobs (ENR 11/12/70 p. 46). To speed progress on current jobs, Kunzig also says GSA is sending its own teams into A-E offices to discuss problems on current jobs and make changes on the spot. This reverses past practice in which A-Es came to Washington, made the rounds with low-echelon GSA employees and then waited for decisions from the top.

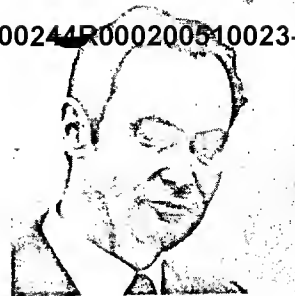
Although A-Es seemed resigned to the fact that the government was moving ahead with its new management procedures, there were some new wrinkles that may rattle contractors.

Robert Isaacs, deputy assistant postmaster general for construction, says that his agency, over the next five years, will pour almost \$3 billion into new postal facilities. But later he revealed that the Corps of Engineers will serve as construction managers on these projects instead of civilian contractors. The Corps has reportedly assumed this capacity already on four postal jobs.

A-Es also learned that politics may influence procurement decisions from G.D. Fromou, director of the Department of Health, Education and Welfare's (HEW) new Facilities Engineering and Construction Agency (FECA). Although he says that all A-Es will get a fair crack at HEW work, he cautions, "We can't, and don't want to go out of state when there are qualified A-Es in the area. Congressional sensitivities would prevent us from doing this."



GSA's Robert Kunzig
Cutting costs at his end.



HUD's Harold Finger
A wage rollback is needed.

In emphasizing the government's new cost-cutting procedures, Administration officials took the opportunity to jawbone a bit. Harold Finger, assistant secretary for research and development

for the Department of Housing and Urban Development, rapped recent building trades' wage settlements. "A rollback on such settlements is clearly needed," he says.

File Bldg Codes data **New law will give new towns a big, new lift**

Some 35 or 40 new towns may be started over the next few years as the result of a new law quietly approved by President Nixon earlier this month.

The new law, called the Housing and Urban Development Act of 1970 (ENR 12/31/70 p. 7), authorizes more than \$900 million worth of federal loan guarantees, loans and grants, and includes a broad range of subsidies to both private and public developers of new towns through a new Community Development Corp. that will be attached to the Department of Housing and Urban Development (HUD). The new authorizations, some of which extend only for a limited period, are on top of \$500 million worth of loan guarantees authorized by Congress in 1968.

"It's a damn near revolutionary program," says one HUD official.

A rush to take advantage of the new subsidies is already under way. Henry McKnight, developer of the town of Jonathan, Minn., for example, has applied for subsidies to help build a new town on 100 acres of a run-down neighborhood called Cedar-Riverside a few blocks from downtown Minneapolis. He is ready to break ground this spring on the first of 15 buildings to be built around a central plaza, a plan for which he engaged Ilkiki Von Herten, developer of Finland's famed Tapiola, as a consultant.

The new program. Under Title VII of the law, which covers new towns, state land development agencies and private developers are eligible for federal loans

up to 15 years to cover interest charges on indebtedness incurred for land acquisition and development. Interest charges on the loans will be equal to the average interest rate the Treasury pays, plus one-eighth of 1%. The total available for this program is \$250 million. The ceiling for any one project is \$20 million. There is also a \$500-million authorization for loan guarantees.

Another provision authorizes HUD grants totaling \$168 million to state and local development agencies for sewer, water and other facilities. Private developers are also eligible for special grants out of \$15 million authorized to pay two-thirds the cost of special planning for public purposes, not including "ordinary market, financial and engineering planning."

The law also allows HUD, upon specific authorization of the President, to develop a new town on federally owned land as a demonstration project.

Four types of new communities are eligible for aid: Those within existing metropolitan areas (new suburbs or close-in satellites); new towns that convert existing small towns into growth centers; new towns in existing new town developments; and free-standing or frontier new towns, of which there are none so far.

The new communities program will be run by the Community Development Corp. The Secretary of HUD will be chairman of the board. The general manager will be appointed by the President and confirmed by the Senate.